BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding Policies, Procedures and Rules for Development of Distribution Resources Plans Pursuant to Public Utilities Code Section 769.	R.14-08-013 Filed August 14, 2014

COMMENTS OF PHYSICIANS SCIENTISTS & ENGINEERS FOR HEALTHY ENERGY ON THE DRAFT GUIDANCE DOCUMENT FOR USE IN UTILTIY AB 327 (2013) SECTION 769 DISTRIBUTION RESOURCE PLANS.

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I. INTRODUCTION

Pursuant to the California Public Utilities Commission's (Commission) Rules of Practice and Procedure, Physicians Scientists & Engineers for Healthy Energy (PSE) respectfully submits the following comments on the draft guidance document presented by the Commission in the *Assigned Commissioner's ruling regarding draft guidance for use in utility AB 327 (2013) Section 769 Distributed Resource Plans* on November 17, 2014. PSE thanks the Commission for the opportunity to provide comments on this draft guidance.

PSE is a group of physicians, scientists and engineers based in California and New York that brings scientific transparency to energy policy issues. We publish research papers in peer-reviewed journals, synthesize and translate scientific research for wider audiences, and work with policymakers, the media, academics, and community groups to disseminate this information

widely. Our focus is on renewable energy penetration, energy storage technologies, and oil and gas development. We address these issues through environmental, climate and health lenses.

PSE's comments in this proceeding are aimed at highlighting some of the values of distributed energy resources (DERs) that PSE believes should be considered when developing distributed resources plans (DRPs) but have not been fully addressed in the discussion to date. These valuable characteristics of DERs includes contribution to grid resiliency in earthquakes and other large-scale outages, and environmental and health impacts and benefits.

II. Comments on *Draft Guidance Document*

PSE Healthy Energy appreciates the recognition of resiliency, environmental and societal benefits as features of optimal locations for DERs. Resiliency has been included in many sections of the draft guidance, and PSE believes that environmental and societal benefits should be similarly addressed throughout the document in order to make their consideration more actionable. In the *Draft Guidance Document*, the definition of optimality at a given location includes, "A DER can enhance the reliability of service and resiliency against service interruptions at a specific location; A deployment of DER can provide other benefits such as economic, environmental or social equity at a specific location" (p. 28). The optimal location is defined by both "value" and "benefits," which even in the case of societal benefits "are generally defined as a monetary value that can be assigned to some location" (p. 29). We believe the prior definitions are important, and should be considered even if monetary value is difficult to assign.

We propose a few different approaches for assessing the environmental and health benefits of DERs. For equity analysis, we suggest using CalEnviroscreen 2.0, a tool developed by

the California Office of Environmental Health Hazard Assessment to identify and map disadvantaged communities.[1] CalEnviroscreen scores census tracts based on both existing burden of pollution in the area and sensitivity of the surrounding population, including factors like poverty and age distribution. From an environmental standpoint, we suggest using air quality data from the Environmental Protection Agency, the California Air Resources Board, or the local Air Quality Management Districts to identify regions where criteria pollutant concentrations (e.g. NO_x, PM, VOCs) exceed state and federal standards. An environmental benefit may be gained from any DER (or group of DERs) that reduces peak load in an area with poor air quality, thereby helping mitigate acute pollution concentrations. Together, CalEnviroscreen, an assessment of population density, and local air quality analysis can be used to identify regions where DERs that decrease peak load are likely to have the greatest environmental and health benefits. Finally, an additional metric should be included to assess the impact of DERs in reducing greenhouse gas emissions.

We appreciate the inclusion of resiliency throughout the *Draft Guidance Document* and suggest that CalEnviroscreen could be used as a tool to determine whether resiliency benefits are equitably distributed.

We recommend that the above analysis and environmental and societal benefits are integrated into Part Four of the *Draft Guidance Document* as given below.

Section 1.b.i.

Resiliency is included in the minimum criteria for locational net benefits methodology, but environmental and societal benefits have been omitted. The net benefits methodology should

[1] "CalEnviroscreen Version 2.0" http://oehha.ca.gov/ej/ces2.html

specifically include environmental benefits, including emissions reduction potential for criteria pollutants and greenhouse gases, as well as societal benefits, such as increasing access to DERs for typically underserved populations.

Sections 2.a. and 2.b.

The demonstration of the optimal benefits analysis (2.a.) and the demonstration of use cases (2.b.) should include an explicit analysis of environmental and societal benefits.

Section 6.

Barriers to deployment should include an equity analysis to assess to what degree and which types of DERs are reaching different populations. Distributed solar adoption, for example, tends to be higher among richer customers and homeowners. This assessment could be used by the utility directly to incentivize DER uptake in underserved areas, or to provide information for the Commission to initiate and operate programs like the Single Family Affordable Solar Homes (SASH) Program for solar and other DERs.

IV. CONCLUSION

PSE appreciates the opportunity to provide comments in response to this draft guidance document.

Respectfully submitted,

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